

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Telephone: (801) 538-5291  
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SMALL MINING OPERATIONS 2006 PROGRESS REPORT  
January 1, 2006 to December 31, 2006

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

- 1 Mine Permit Number: S/470/063  
2 Mine Name: Neal #1, #2, and #3  
3 Name of Operator/Permittee: Ziegler Chemical & Mineral Corp.  
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.

- 4 Mine Location: NW 1/4, SW 1/4, Section 32, Township 11S, Range 24E  
5 Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:

Gross Ore Mined 88.33 Tons, or        yd<sup>3</sup>  
Waste Material Moved 0 Tons, or        yd<sup>3</sup>  
New Disturbance 1.6 Acres during 2006  
Area Reclaimed 0 Acres during 2006  
Total Disturbed Area 4.3 Acres\*

Was the ore shipped off site? If not, where is the ore located? Yes

Where is the waste located? N/A

\*Total life of mine disturbance to the end of 2006.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

None

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Duane Boren  
Title of Operator: Mine Superintendent  
Signature of Operator: Duane Boren  
Date: February 11, 2008

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RECEIVED

FEB 25 2008

DIV. OF OIL, GAS & MINING